

EXHIBIT B



Linda S. Adams
Secretary for
Environmental
Protection

California Regional Water Quality Control Board
Central Valley Region
Karl E. Longley, ScD, P.E., Chair



Arnold
Schwarzenegger
Governor

11020 Sun Center Drive #200, Rancho Cordova, California 95670-6114
Phone (916) 464-3291 • FAX (916) 464-4645
<http://www.waterboards.ca.gov/centralvalley>

17 October 2008

CERTIFIED MAIL
7008 1140 0002 8806 2146

Steve Howell/Ed Horn
SunCal Companies
1430 Blue Oaks Boulevard, Suite 200
Roseville, CA 95747

**NOTICE OF VIOLATION, CONSTRUCTION STORM WATER GENERAL PERMIT NO.
CAS000002, DELTA COVES VENTURE LLC SUNCAL COMPANY, WDID NO.
5S07C344548, CONTRA COSTA COUNTY**

Central Valley Water Board staff has received numerous County Inspection Reports, Notices of Non-Compliance, Notices of Correction, Notices to Comply and letters of request for action (see attached documents) for the Delta Coves Venture LLC SunCal Company (Delta Coves) construction site located at 6013 Bethel Island, Contra Costa County. These inspections were conducted by Contra Costa County staff to evaluate compliance with their municipal storm water requirements. From the photographs, Water Board staff has also determined that you are in violation of the NPDES General Permit for Storm Water Discharges Associated with Construction Activities, NPDES No. CAS000002, Order No. 99-08-DWQ (General Permit). As the owner of the property, Delta Coves is responsible for complying with all of the conditions of the General Permit.

From the photographs, it is apparent that the Delta Coves site lacks effective erosion and sediment control BMPs. In addition Contra Costa County staff observed sediment on the sidewalks and streets, in the gutters, on the edges of the rock slopes immediately adjacent to the waterway, in and around the drain inlets, and suspended in the air from high winds (see enclosed photographs).

- The site was found to be in violation of Section A.6 of the General Permit which requires that, *"Erosion control, also referred to as "soil stabilization" is the most effective way to retain soil and sediment on the construction site. The most efficient way to address erosion control is to preserve existing vegetation where feasible, to limit disturbance, and to stabilize and revegetate disturbed areas as soon as possible after grading or construction. Particular attention must be paid to large mass-graded sites where the potential for soil exposure to the erosive effects of rainfall and wind is great. Mass graded construction sites may be exposed for several years while the project is being built out. Thus, there is potential for significant sediment discharge from the site to surface waters. At a minimum, the discharger/operator must implement an effective combination of erosion and sediment control on all disturbed areas during the rainy season."* Contra Costa County's rainy season begins on 1 October. During the 14 October inspection, the Delta Coves construction site did not have an effective combination of erosion and sediment control BMPs (see attached photographs).

California Environmental Protection Agency

Steve Howell/Ed Horn

- 2 -

17 October 2008

Notice of Violation

Delta Coves Venture LLC Suncal Co

WDID 5S07C344548

- The site was found to be in violation of Special Provision C.2 of the General Permit which requires that, *"All dischargers shall develop and implement a SWPPP in accordance with Section A: Storm Water Pollution Prevention Plan. The discharger shall implement controls to reduce pollutants in storm water discharges from their construction sites to the Best Available Technology Economically Achievable (BAT) and Best Conventional Pollutant Control Technology (BCT) performance standard."* During the 14 October inspection, the Delta Coves construction site did not have controls implemented to the BAT/BCT standard.

In addition, Contra Costa County staff has informed the Regional Water Board that Delta Coves has been discharging soil onto an adjacent 17 acre parcel that is not part of the Construction General Permit. The adjacent parcel does not have any "soil stabilization" BMPs on site. We are concerned that this property may potentially cause a storm water discharge by rainfall or wind erosion. Please address Delta Coves' plans to stabilize the soil on the adjacent property in your response to this Notice of Violation.

Response

In response to this Notice of Violation, Delta Coves must immediately do the following:

- Install and maintain an effective combination of erosion and sediment control BMPs throughout the project.

In order to demonstrate compliance with the General Permit, we request that Delta Coves submit the following to the Central Valley Water Board by **24 October 2008**:

- A written explanation of how and when (no later than **1 November 2008**) BMPs will be installed and maintained on the project site.

Send the information to:

Attn: Kim Schwab
Central Valley RWQCB
11020 Sun Center Drive # 200
Rancho Cordova, CA 95670

Violations of the General Permit have exposed Delta Coves to possible further enforcement action. Under Section 13385 of the CWC, the Water Board can impose administrative civil liabilities for violations of CWC Section 13376. The maximum administrative civil liability for each day of violation is ten thousand dollars (\$10,000).

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- 3 -

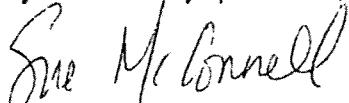
17 October 2008

Notice of Violation

Delta Coves Venture LLC Suncal Co

WDID 5S07C344548

If you have any questions, contact Kim Schwab at (916) 464-4606.



SUE MCCONNELL

Chief, Storm Water Compliance and Enforcement Unit

Enclosures: Contra Costa County Documents
Site photographs

cc: Eugene Bromley, US EPA, San Francisco
Simon Winer, Senior Air Quality Inspector, BAAQMD
Contra Costa Board of Supervisors
Kevin Emigh, Assistant Public Works Director, Contra Costa County
David Swartz, Watershed Management Planning, Contra Costa County
Rich Lierly, Flood Control, Contra Costa County
Gary Faria, Building Inspection, Contra Costa County
Marguerite Lawry, Bethel Island Municipal Improvement District

Contra Costa County (CCC) Inspection Photos Provided by:
David Swartz, CCC Watershed Mgt. Planning Specialist
255 Glacier Drive
Martinez, CA 94553
(925) 313-2281

Photo Dates: 10/14/08 and 10/9-10/08

